

Summary of Campaign Finance Reforms:

- Candidates and PACs are required to file a pre-primary report, pre-general report and quarterly reports during election years. Semi-annual reports are required in non-election years on January 31 and June 30. The January 31st report encompasses contributions through January 1.
- PACs contribution reports will be posted on the Internet and any PAC that doesn't timely file will be listed as delinquent.
- Candidates/PACs are required to keep records for 2 years instead of 1 year (for audits).
- Contribution statements will list occupation and employer of persons who contribute more than \$100.
- Expenditure statements are required to include description of "purpose". The following words are not acceptable descriptions: campaign expense, other, reimbursement or credit card payment. Credit card payments to separate vendors shall be disclosed as separate expenditures. Payments to a person as reimbursement shall be disclosed as payments to the vendor not the person who is reimbursed.
- PACs who owe 30 days delinquent in paying a civil penalty to the registry are prohibited from receiving contributions and making expenditures and the treasurers of such PAC are prohibited from creating another PAC until such penalty is paid.
- County election commissions will be required to notify the registry of local elections. Within seven days of when contribution reports are due for local elections the county election commission is required to file a report with the registry stating all candidates have filed timely or file a list of candidates who have not filed timely. The registry would have authority to assess Class 1 and Class 2 penalties for local candidates.
- "Personal use" is defined to help describe what is an acceptable expenditure with regard to campaign funds and what types of expenditures are expressly prohibited.
- The 180 day limit is increased to 2 years regarding when reports are deemed sufficient.
- Electronic filing is mandated for candidates who have contributions in excess of \$1,000. The registry is required to make such filings available on the Internet once the registry reviews the information for accuracy. The registry will also post which candidates have delinquent filings.
- The registry will conduct audits and investigations of all gubernatorial candidates who receive at least 10 percent of the vote at the general election. The registry will conduct audits and investigations of all candidates of randomly selected districts for general assembly and judicial candidates each election cycle.
- The registry will have power to subpoena persons and documents for audits and hearings.
- Cash contributions to candidates and PACs are prohibited.
- Individuals are limited to contributing \$25,000 annually to all candidates and PACs.
- A person, including a PAC, who makes an independent expenditure of \$1,000 or more within 30 days of an election must electronically file with the registry.
- The blackout period for fundraising begins January 1.
- Candidates for the general assembly and statewide office are prohibited from using campaign contributions to repay outstanding loans from such candidate or the candidate's immediate family after September 30 following the regular election.
- PACs are prohibited from giving contributions within 20 days of election instead of 10 days.

Summary of Title 3, Chapter 6, Parts 1-3

- The Tennessee ethics commission has six members. The governor appoints four members. The speaker of the senate and the speaker of the house each appoint one member. No more than three members can be from the majority party and no more than three members can be from the minority party.
- The initial members' terms will begin upon appointment, but for purposes of calculating such members' terms of office the appointments shall be deemed to be made on January 1, 2007. The members will serve four-year staggered terms. Members can serve two full terms in succession. The governor selects the first chairman. Subsequent chairmen will be elected by the commission members.
- The commission has jurisdiction over persons required to file conflict of interest and income disclosures; lobbyists and employers of lobbyists; and actions by members of the general assembly constituting misuse of office for personal financial gain. The commission's duties and powers are similar to the registry of election finance's current duties and powers; however, the power to audit, to issue subpoenas during investigation, and to request injunctive relief are added.
- Complaints filed with the ethics committee of the house or the senate alleging acts that fall within the jurisdiction of the commission are referred to the commission for investigation. The governor may also refer any complaint received alleging acts that fall within the jurisdiction of the commission by executive branch officials and staff.
- The commission provides annual ethics training for new members, current members, executive branch supervisory personnel, and lobbyists. Lobbyists are charged for the training.
- Any citizen of Tennessee can file a complaint. The commission may file a complaint upon an affirmative vote of three members of the same political party or upon an affirmative vote of two members of different political parties. Notification of the complaint must be mailed to the alleged violator within five days after the filing of the complaint. If false information or a false complaint is knowingly or recklessly provided or filed, civil penalties, costs, and attorney's fees can be imposed. In addition, the commission may decline to consider any further complaints brought by the complainant.
- The office of the attorney general and reporter conducts a preliminary investigation and reports its findings to the commission. Criminal violations are referred to the appropriate law enforcement agency.
- If the commission determines that there is probable cause, the commission will hold a public hearing to determine if a violation has occurred. If a complainant challenges a probable cause determination and loses, the complainant is liable for reasonable costs and attorney's fees. The commission can impose civil penalties for lobbyist violations, violations for accepting prohibited gifts, and failure to file statements and reports.
- Upon a finding of probable cause, the commission refers allegations against members of the general assembly for acts constituting misuse of office for personal financial gain to the ethics committee of the house or the senate.
- Public Chapters 102 and 486, concerning consulting services and income disclosures, are placed under the jurisdiction of the commission. Certain executive branch officials are subjected to income disclosure requirements. Provisions prescribing the information to be filed in relation to a blind trust are added. Disclosure statements filed pursuant to title 8, chapter 50, part 5 will be filed with the commission.

SUMMARY OF LOBBYING REGULATION

- Each employer of a lobbyist and each lobbyist would electronically register with the ethics commission each year.
- As part of annual registration, each employer and each lobbyist would electronically file a registration statement.
- For an employer, the registration statement would include only the employer's contact information and contact information for each lobbyist who is authorized to represent the employer.
- For a lobbyist, the registration statement would include the lobbyist's contact information, contact information for each employer the lobbyist is authorized to represent, subject matters of interest to employers, legislation of interest to employers, contact information for any member of the lobbyist's immediate family who is an official within the legislative or executive branch, and any business arrangement with any candidate for public office or any official in the legislative or executive branch.
- If authorized by rule of the commission, lobbying firms could file consolidated registration statements and amendments.
- The following would not be required to register with the ethics commission as an employer of a lobbyist or as a lobbyist: an elected or appointed public official performing the duties of the office held; a department, agency or entity of state or local government; or a state or local employee representing such department, agency, or entity.
- By means of electronic amendment to the registration statement, each employer and each lobbyist would be required to update or correct such registration statement within seven days following any event or changed circumstance that renders the registration statement inaccurate or incomplete.
- By rule, the ethics commission would establish registration fees.
- The complete registration year would be the period of October 1 through September 30.
- Within fifteen days following the six-month periods ending March 31 and September 30, each employer of a lobbyist would electronically report the following: the aggregate total of all lobbyist compensation paid by the employer during the period, to be reported within statutorily prescribed ranges; the aggregate total of all employer expenditures during the period for the purpose of influencing legislative or administrative action by influencing public opinion or grassroots action, to be reported within statutorily prescribed ranges; and the aggregate total of all employer expenditures during the period for events permissible under § 3-6-405(b)(8).
- Lobbyists, their immediate family members, and persons acting at the direction of a lobbyist would be prohibited from offering or making campaign contributions to or on behalf of any state office holder or any candidate for state office.
- Lobbyists would be prohibited from organizing or hosting campaign fundraising events.
- Lobbyist contingency fees would be prohibited.
- A lobbying blackout period would be imposed for one year following the departure from office or employment by any elected official within the legislative or executive branch, member of the cabinet, or cabinet-level member of the governor's staff.
- Lobbyists would be prohibited from serving on state boards, commissions, and entities having jurisdiction over the business endeavors or professional activities of any employer of the lobbyist.
- The current employer/lobbyist gift exceptions for food, refreshments, meals, entertainment, beverages, etc. would generally be restricted to events to which the entire membership of the general assembly is invited. A copy of the invitation would be delivered to the ethics commission at least seven days in advance of the event, and the per person cost of the event as well as the total cost of the event would be reported to the commission within thirty days following the event. Events hosted by a city, county, chamber of commerce or a state college or university would be subject to the same requirements.
- Lobbyists would be required to report certain third party gifts provided, in their presence, to legislative and executive branch officials and their immediate family members.
- In accordance with UAPA contested case provisions, the ethics commission would be authorized to impose a variety of sanctions, including civil penalties up to \$10,000 for an employer or a lobbyist as well as rejection, probation, suspension, or revocation of registration for a lobbyist.
- The commission would be authorized to levy a civil penalty on any official within the legislative or executive branch who violates the gift prohibition section and, in egregious cases involving a violation by a member of the general assembly, could also refer the matter to the ethics committee of the appropriate house.